



DATE: March 29, 2010

SUBJECT: PRELIMINARY BUDGET REDUCTION PROPOSALS

The attached is an update using the best information currently available regarding how the *2010-2011 Proposed Operating Budget* will close the \$116 million General Fund shortfall. **This information is preliminary and subject to change.**

This is a high-level summary of many, but not all, of the service reduction proposals that are expected to be included in the *2010-2011 Proposed Operating Budget* that will be released on May 3, 2010.

Because the magnitude of service reductions to the community and loss of jobs to our workforce will be significant, this summary is being released early to help prepare the City organization and community. While these proposals to address the budget shortfall will continue to be refined and further analyzed, they are 90% complete.

The best projections at this time show that almost 900 positions will be eliminated. This number does not include reductions associated with Council Appointees, San Jose Redevelopment Agency budget balancing actions, and the Community Development Block Grant program.

These proposals are based on the budget solutions that are currently available or known. Should this change, either through employee concessions or other solutions, we will be able to restore some of the proposed reductions and therefore, reduce the position eliminations needed.

However, because the proposed budget must be a balanced budget, there are currently no alternatives to presenting a proposed budget that relies primarily on service reductions and eliminations.

While the community and employees may be tempted to focus on cuts in one particular area or another, these proposals should be viewed in their totality. There is, unfortunately, no single department or area that will not be profoundly affected. For example:

- In the Police Department, the elimination of approximately 160 sworn positions would include positions in Patrol, Investigations and special units.
- In the Fire Department, elimination of approximately 86 sworn positions would include the elimination of five engine Companies, one Truck Company, and the reconfiguration of staffing and response of the dedicated Hazardous Incident Team.
- In the Library Department, a significant reduction would cut branch library hours to three days/week. Reductions would eliminate approximately 110 positions.
- In the Parks, Recreation and Neighborhood Services Department, the closure of 21 satellite and neighborhood community centers and the reduction of many community services would result in the elimination of approximately 117 positions.
- In the Transportation Department, cuts would be spread across many services including the Capital Program, traffic calming, and street maintenance resulting in the elimination of approximately 40 positions.

Overview

After eight consecutive years of budget challenges, the City of San José is faced with its largest General Fund budget shortfall of approximately \$116 million in 2010-2011. When the shortfalls associated with the cost-recovery Development Fee Programs (Planning, Building, Public Works, and Fire) are included, this budget gap increases to \$118.2 million.

Given the depth of the General Fund shortfall and the severity of the budget actions that will be necessary to close this large gap, this summary of draft budget proposals provides early information on what will likely be brought forward in the *2010-2011 Proposed Operating Budget* that is scheduled to be released on May 3, 2010.

Typically, this information is not released until the proposals are final. This year, however, the impacts on the community will be significant and this early release of preliminary information will allow more stakeholder understanding and preparation for the transition of City services.

These proposals do not take into account potential cost savings from employee concessions that would reduce the number of positions eliminated and preserve City services. While the Administration has been pursuing cost reduction strategies with employee groups, no reduction in employee costs has been realized to date. As a result, at this stage, this document focuses on service reductions and position eliminations.

Based on the current proposals and balancing strategy, it is anticipated that 800 positions will be eliminated. This figure does not include the 78 positions scheduled for elimination in July 2010 as approved as part of the 2009-2010 budget process. In addition, there are a number of areas where the budget proposals have not yet been reflected, which will result in additional position reductions. These include reductions associated with Council appointees, San José Redevelopment Agency budget balancing actions, and the Community Development Block Grant program.

Anticipated Position Reductions in 2010-2011 (All Funds)

Filled Positions:	(658) positions
Vacant Positions:	<u>(142) positions</u>
2010-2011 Budget Proposals:	(800) positions
Positions Eliminated July 2010 as part of the 2009-2010 Budget	<u>(78) positions</u>
Total Position Reductions:	(878 positions)

Community Budget Meetings

March 24 – April 29

Budget Decision Milestones

Early April

Labor Negotiations Results Deadline
for Inclusion in Proposed Budget

April 19

2010-2011 Proposed Capital Budget
Released

April 19-30

Layoff Notices to Affected Employees

May 3

2010-2011 Proposed Operating
Budget Released

May 7

2010-2011 Proposed Fees and
Charges Released

May 10-20

Proposed Budget City Council Study
Sessions

May 18/June 14

Public Hearings on the Budget
(evening meetings)

June 3

Labor Negotiations Results Deadline
for Inclusion in Final Budget Adoption

June 4

2010-2011 Mayor's June Budget
Message Released

June 15

City Council Review and Approval of
the 2010-2011 Mayor's June Budget
Message

June 22

Adoption of the 2010-2011 Budget

Preliminary Budget Reduction Proposals Update as of 3/29/10

The City of San Jose organizes its operations into six City Service Areas. Following is a brief description of the preliminary budget proposals that are currently under development and expected to be brought forward in the 2010-2011 Proposed Budget.

NEIGHBORHOOD SERVICES CSA

Libraries

Reduce Branch Library Hours of Operation and Services (eliminate 76.67 positions; -\$5.6 million in 2010-2011; -\$6.0 million ongoing)	Currently, the branch libraries are open 47 hours per week (Monday through Saturday). As approved in the 2009-2010 Adopted Budget, effective July 1, 2010, the hours will be reduced to 39 hours per week. An additional reduction to 25-26 hours per week (3 days) is proposed for 2010-2011. Neighboring branches would be paired (to the extent possible) with one branch open on Monday, Wednesday, and Friday and the paired branch open Tuesday, Thursday, and Saturday. Library services would also be reduced, including story-time, children's educational programs, literacy programs, adult programming, Summer Reading Celebration and class visits. Homework Center Programming would be eliminated.
Delay Opening of Seven Trees and Bascom Branch Libraries (-\$2.3 million in 2010-2011)	Delay opening of the Seven Trees Branch Library and the Bascom Branch Library from August 2010 and October 2010, respectively, to August 2011.
Reduce Dr. Martin Luther King, Jr. Library Hours of Operation and Services (eliminate 26.27 positions; -\$1.8 million in 2010-2011; -\$1.9 million ongoing)	Reduce hours of operation 12% or 9 hours per week to 72 hours during the academic year and 58 hours during SJSU winter break and the summer. The Children's Room would be reduced by 10-12 hours per week, the California Room hours would decrease from 28 hours to 20 hours per week, and staffing at service points, including Reference Desk, Access Services, and Periodicals Desk would be reduced by up to 50%. Homework Center Programming would be eliminated.
Library Process Improvements and Work Re-Assignments (eliminate 7.0 positions; -\$590,000 in 2010-2011; -\$605,000 ongoing)	The Library Department process changes include no longer cataloging some children's books, pre-processing more library materials, and shifting analytical work in the Business Unit. These changes are expected to have little to no impact to the public.

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Parks and Community Centers

Change the Service Delivery Model for Community Centers, Significantly Reducing the Facilities and Services Available

(eliminate 38.2 positions; -\$4.3 million in 2010-2010; -\$5.0 million ongoing)

The primary components of this proposal are as follows:

- Reduces the number of community centers directly operated by the Parks, Recreation and Neighborhood Services (PRNS) Department to 12, consisting of 10 “hubs” (one per City Council District), one “enterprise” community center (Edenvale), and Grace Community Center;
- Closes 21 Satellite and Neighborhood Community Centers and places them in the Re-Use program (Moreland West, Washington United, River Glen, Shirakawa, Paul Moore, West San Jose, Starbird, Gardner, Alviso, Berryessa Youth Center, Alum Rock Youth Center, Millbrook, Kirk, Almaden Winery, Calabazas, McKinley, Noble House, Noble House Modular Neighborhood Center, Erickson, Hoffman/Via Monte, and Vista Park);
- Establishes standardized hours and staffing at the “hubs”;
- Eliminates several citywide services including the Office on Aging, the Office of Therapeutic Services, and the Citywide Theater Program;
- Defers the opening of Bascom Community Center from October 2010 to August 2011;
- Opens Edenvale Community Center using an enterprise model with the goal of 100% cost-recovery by 2011-2012; the facility would operate with limited City staff as the majority of services would be delivered by partner organizations;
- Phases out of the senior nutrition program, with an end date of June 30, 2011; and
- Reduces staffing levels at Grace Community Center while retaining mental health, therapeutic, recreation, and nutrition services.

Reduce Regional Park Services

(eliminate 7.72 positions; -\$475,000 in 2010-2011; -\$482,000 ongoing)

Reduce maintenance staffing at the City’s regional parks, establishing “no maintenance” days at Almaden Lake Park, Alum Rock Park, Prusch Farm Park, and Overfelt Gardens on weekdays between October and March. On the “no maintenance” days park restrooms would not be open and retained staff would perform periodic site visits in order to ensure no major hazards exist. Conversely, current maintenance levels would be maintained between April and September. This proposal also closes the Lake Cunningham Marina, and reduces administrative support at Emma Prusch Park.

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Parks and Community Centers (Cont'd.)

<p>Reduce the Park Ranger Program (eliminate 9.98 positions; -\$634,000 in 2010-2011; -\$848,000 ongoing)</p>	<p>Reduce Park Ranger staffing levels. As a result, Overfelt Gardens, Emma Prusch Park, and the trails system will no longer have dedicated Park Ranger staffing, however Park Rangers retained at Alum Rock Park, Kelly Park, Guadalupe River Park, Almaden Lake and Lake Cunningham will perform periodic visits to the regional parks that would implement "no maintenance" days in order to ensure that there are no major hazards at the site.</p>
<p>Reduce Park Restroom Availability (eliminate 5.13 positions; -\$361,000 in 2010-2011; -\$372,000 ongoing)</p>	<p>Reduce the availability of the 56 restrooms in neighborhood parks that have restrooms to weekends only between September and May, with restrooms remaining available every day between June and August, when schools are typically not in session and park utilization is at its highest. <i>Proposal under review.</i></p>

Other Community Services and Programs

<p>Eliminate Healthy Neighborhoods Venture Fund (HNVF), shift resources to General Fund, and continue a portion of the HNVF programs (eliminate 4.0 positions; -\$12.3 million in 2010-2011; -\$4.4 million ongoing)</p>	<p>Eliminate the HNVF Fund and shift the fund balance (\$7.9 million) and ongoing revenues (\$10.2 million) to the General Fund. As part of this action, certain programs currently funded by HNVF would be shifted to the General Fund (In total, \$6.1 million in HNVF-related activities would be retained): the Children's Health Initiative funding (\$2,100,000); portion of the Homework Centers (\$306,000); and a portion of the funding allocated to non-profit organizations that provide services (\$3.1 million); City Hall Debt Service (\$107,000); and a reduced level of administrative staff (\$455,000). As part of this action, the HNVF Senior Nutrition Program (\$670,000) would be eliminated, effective September 2010.</p>
<p>Reduce the Aquatics Program (eliminate 24.30 positions; -\$630,000 in 2010-2011; -\$637,000 ongoing)</p>	<p>Maintain aquatics programming at Mayfair and Camden pools. The Aquatics Program at the remaining sites, would be eliminated for the 2010 summer swim season. (Alviso, Biebrach, Fair Swim Center, Rotary Ryland Pool, Santa Teresa HS, Silver Creek HS, Willow Glen MS, Almaden Lake Park)</p>

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Other Community Services and Programs (Cont'd.)

<p>Eliminate Community Based Organization (CBO) funding to several organizations that work with the PRNS Department</p> <p>(-\$1.0 million ongoing)</p>	<p>Eliminate funding to the following: Korean American Community Services (\$8,000); Respite and Research for Alzheimer's Activity Center (\$12,000); OUTREACH (\$15,000); Youth Science Institute (\$15,000); Boys and Girls Club (\$20,000); Career Training Center (\$41,000); YMCA Mayfair Program (\$45,000); Inner City Games (\$49,000); Breakout Prison Outreach (\$63,000); Cupertino Community Services (\$64,000); Rohi Alternative Community Outreach (\$93,000); MACSA (\$229,000); and Catholic Charities of Santa Clara County (\$374,000).</p>
<p>Eliminate the City-Wide Sports Program</p> <p>(eliminate 1.23 positions; -\$237,000 in 2010-2011; -\$256,000 ongoing)</p>	<p>Eliminate the City-Wide Sports Office and all related programming except the Sports Field Reservation Unit. Also, eliminate the funds set aside in the 2011-2015 Forecast for new park and recreation facilities operating and maintenance costs (\$52,000) and include additional rental reservation revenue anticipated from two new soccer fields at Watson Park (\$30,000).</p>
<p>Eliminate the PRNS Special Events Team</p> <p>(eliminate 7.67 positions; -\$782,000 in 2010-2011; -\$756,000 ongoing)</p>	<p>Eliminate the team that is responsible for coordinating and managing more than 75 community events per year. Funding support for Christmas in the Park and the San José Holiday Parade would be eliminated in 2011-2012.</p> <p><i>Proposal under review.</i></p>
<p>Reduce Parks Capital Program Staff</p> <p>(eliminate 5.0 positions; -\$545,000 in 2010-2011; -\$597,000 ongoing)</p>	<p>Reduce capital staff support for the Parks and Community Facilities Capital Program to reflect anticipated workload. These positions are funded by the parks capital funds.</p>
<p>Reduce Anti-Graffiti Program</p> <p>(eliminate 2.0 positions; -\$209,000 in 2010-2011; -\$211,000 ongoing)</p>	<p>Eliminate two long-term vacancies in the Anti-Graffiti Program. Services would remain at the levels currently being experienced.</p>
<p>Reduce General Fund Subsidy to the Golf Course Fund</p> <p>(-\$100,000 in 2010-2011)</p>	<p>Reduces the subsidy to the Municipal Golf Course Fund by \$100,000, bringing the 2010-2011 subsidy to \$1.0 million. This will be achieved through a review of expenditures with the course operators at Rancho del Pueblo and Los Lagos, as well as a slight increase to the per-round price.</p>
<p>Reduce Animal Care Dispatching</p> <p>(eliminate 1.0 position; -\$92,000 in 2010-2011; -\$94,000 ongoing)</p>	<p>Eliminate two Dispatcher positions and add an Animal Services Officer position. In order to mitigate the impact on call-wait times at the dispatching center, the addition of a Senior Animal Services Officer is proposed. This addition would provide flexibility in the areas of dispatching services and field services as this position can be deployed to either area.</p>

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Other Community Services and Programs (Cont'd.)

Reduce Police Athletics League (PAL) Facility Maintenance (eliminate 1.0 position; -\$78,000 in 2010-2011; -\$85,000 ongoing)	Eliminate dedicated maintenance of the PAL facility and include the maintenance of this site as part of the route that maintains surrounding neighborhood parks.
Reduce STAND Program (eliminate 1.0 position; -\$63,000 in 2010-2011; -\$65,000 ongoing)	Reduce the Striving Towards Achievement with New Direction (STAND) Program staffing to current service levels (7.63 positions) by eliminating one vacant position. This program provides gang intervention programs for youth, ages 13 to 18.
Suspend Family Camp Program (\$0 in 2010-2011– reduce revenues and costs)	Suspend the Family Camp program in summer 2010 due to structural issues with the dining hall.

PUBLIC SAFETY CSA

Fire Services

Implement Dynamic Deployment and Reduce the Number of Fire Engine Companies by Five from 34 to 29 (reduction target = \$10-\$12 million) For each Fire Engine Company, a total of 13 to 15 positions would be eliminated and total savings of \$2.2 million to \$2.6 million would be generated annually.	Dynamic Deployment, which uses historical demand data, geographic information, real time data, and community risk to determine the optimal allocation of resources, would be used to minimize impacts associated with the reduction in the number of Engine companies. The City's performance objective (arrive to 80% of emergency calls within 8 minutes) will be impacted with the reduction in Engine Companies as noted below and a Truck Company (separate proposal). The department intends to use real-time dynamic deployment strategies to mitigate impacts to service levels. <i>(This proposal continues to be evaluated, including station designation, and will be further developed.)</i> <ul style="list-style-type: none"> • Engine Company 30 (Auzerais Avenue) • Engine Company 33 (Saint Florian Way/Communication Hill) • Engine Company 34 (Las Plumas Avenue) • Engine Company 35 (Poughkeepsie Road) • Engine TBD
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PUBLIC SAFETY CSA (CONT'D.)

Fire Services (Cont'd.)

<p>Implement Dynamic Deployment and Reduce the Number of Fire Truck Companies by One from 10 to 9</p> <p>Alternative: Reduce the Staffing Level for Truck Companies</p> <p>(eliminate 16 positions; -\$2.5 million in 2010-2011; -\$2.7 million ongoing)</p>	<p>Eliminate Truck Company 3 (Martha Street) – This would include the elimination of 16.0 positions (3.0 Fire Captains, 6.0 Fire Engineers, and 7.0 Fire Fighters). Dynamic Deployment would be used to minimize impacts associated with the elimination of the Truck Company. Engine 3 would remain in service at Fire Station 3. Elimination of a Truck Company (one of ten Truck Companies) will result in delayed receipt of additional personnel and specialized equipment typically carried by a Truck Company.</p> <p>As an alternative to the elimination of one Truck Company, reduce the staffing level for Truck companies from five positions to four positions per shift. This staffing level meets the National Fire Protection Association (NFPA) Standards. This change would be a meet and confer item as the current Memorandum of Agreement with the International Association of Fire Fighters Local 230 requires five positions on each Truck Company.</p>
<p>Add Dynamic Deployment Dispatching Staff</p> <p>(add 3.0 positions; cost of \$314,000 in 2010-2011; ongoing cost of \$382,000)</p>	<p>Add three Senior Public Safety Dispatcher positions to implement the Dynamic Deployment Model, which is expected to partially mitigate the impact of reduced Fire Company resources. The additional staff would monitor the resource levels. Staff would review the computer-recommended resource deployments to make determinations on whether to accept the recommendations given any extenuating circumstances (e.g., traffic conditions, street closures, etc.).</p>
<p>Response Reconfiguration of Hazardous Incident Team (HIT)</p> <p>(eliminate 7.0 positions; -\$811,000 in 2010-2011; -\$905,000 ongoing)</p>	<p>Eliminate a portion of the Hazardous Incident Team staffing at Fire Station 29 (Innovation Drive). The dedicated HIT Team (1.0 Captain, 1.0 Fire Engineer, 42.0 Fire Fighters per shift x 3 shifts) response configuration will be reconfigured. This proposal includes elimination of 7.0 Fire Fighter positions (6.0 Fire Fighters and 1.0 relief Fire Fighter). The remaining members of the dedicated HIT team (1.0 Captain and 1.0 Fire Engineer per shift) would provide expertise in hazardous incident responses. In addition, all duty positions at this station have been cross-trained in hazardous incident responses.</p>

Preliminary Budget Reduction Proposals Update as of 3/29/10

PUBLIC SAFETY CSA (CONT'D.)

Fire Services (Cont'd.)

Reduce Number of Fire Fighter Recruit Academies in 2010-2011 (-\$1.1 million in 2010-2011)	Eliminate one of two Fire Fighter Recruit Academies in 2010-2011 as a result of the cumulative reductions proposed in this budget for sworn positions.
Eliminate the Fire Department Public Education Program (eliminate 1.0 position; -\$133,000 in 2010-2011; -\$148,000 ongoing)	Eliminate the Public Education Program which promotes fire and life safety through public outreach and onsite presentations (Senior Safety Program, school outreach, fire station tours, Ride-Along Program, Fire Prevention Week, and the Juvenile Firesetters Program). The Vials of L.I.F.E would still be available at fire stations as well as limited public safety material.
Adjust Fire Non-Development Services to Maintain Cost-Recovery (eliminate 1.0 position; net zero budget actions)	Balance revenues and expenditures in the Fire Non-Development Fee Program by eliminating one position, shifting two positions from the Development Fee Program into this program, reducing overtime funding, implementing a 6.7% fee increase, and adding revenue associated with the revised hazardous materials quantity range fee structure.

Police Services

Reduce Police Patrol Services (eliminate 90 positions; -\$12.7 million in 2010-2011; -\$14.0 million ongoing)	Reduce Police Field Patrol by 90 positions, leaving approximately 500 Officers in Patrol. A majority of the 96 patrol teams would be affected based on workload demands throughout the 16 patrol districts within the City. The Police Department is exploring alternative daily shift models to align staffing more efficiently with peak workload and mitigate this impact, subject to the meet and confer process.
Eliminate Funding Identified in 2011-2015 Forecast for New Officers (-\$1.6 million in 2010-2011; -\$5.4 million ongoing)	Eliminate funding identified in the 2011-2015 General Fund Forecast for 50 new Police Officers, 25 in 2010-2011 and 25 in 2011-2012. Elimination of the funding for these additional sworn positions would prevent further eliminations within the Police Department's sworn personnel.
Reduce the Police Metro Unit (eliminate 12.0 positions; -\$1.7 million in 2010-2011; -\$1.9 million ongoing)	Reduce the Metro Unit by ten Officers and two Sergeants, leaving the Unit with 1 Lieutenant, 6 Sergeants, and 30 Officers. This would impact investigation of certain types of crime, such as street level narcotics and prostitution; limit the type of operations conducted; and impact Patrol, which will not receive as much covert support.

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

<p>Reduce Police Investigations Staffing (eliminate 17.0 positions; -\$2.7 million in 2010-2011; -\$2.9 million ongoing)</p>	<p>Reduce investigative services in the following areas:</p> <ul style="list-style-type: none"> • Police Vehicular Crime Unit – Reduce Unit by one Sergeant and four Officers, leaving the Unit with one Lieutenant, two Sergeants, and 12 Officers. This would result in a reduction in the Auto Theft Detail, which had four Officer positions added in 2008-2009 that were not filled. • Police Robbery Unit – Reduce Unit by one Sergeant, and two Officers, leaving the Unit with one Lieutenant, four Sergeants, and seven Officers. This would no longer allow the Unit to investigate every robbery case received and the Unit would have to be prioritized based on the type of robbery. • Police Sexual Assaults Investigations Unit – Staffing Alignment – Align unit to the size of other investigative units by eliminating one Sergeant and two Officers, leaving the Unit with one Lieutenant, six Sergeants, and 26 Officers. • Police Family Violence Unit – Staffing Alignment – Align unit to the size of other investigative units by eliminating one Sergeant and one Officer, leaving the Unit with one Lieutenant, two Sergeants, and 13 Officers. • Police Assaults/Juvenile Investigations Unit – Staffing Alignment – Align unit to the size of other investigative units by eliminating two Officers (one assigned to Assaults and one assigned to Juvenile Crime), leaving the unit with one Lieutenant, three Sergeants, and 16 Officers. • Vice Unit - Reduce Unit by two Officers, leaving the unit with one Lieutenant, three Sergeants, and 13 Officers. To maintain Officer safety, this Unit would need to pull investigators from other units to complete many of the larger covert investigations.
<p>Reduce Downtown Services Unit (eliminate 10.0 positions; -\$1.4 million in 2010-2011; -\$1.5 million ongoing)</p>	<p>Eliminate ten Officers from the Downtown Services Unit, leaving one Sergeant and seven Officers. This would result in less regulatory enforcement in nightclubs, less cruise management, and less ability to coordinate with downtown nightclub owners.</p>
<p>Delay Opening of Police Substation (-\$1.3 million in 2010-2011)</p>	<p>Delay opening of the Police Substation from the current opening date of March 2011 to September 2011 to align with the fall 2011 sworn shift change. <i>Cost savings under review.</i></p>

Preliminary Budget Reduction Proposals Update as of 3/29/10

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

Consolidate the Police Financial Crimes and High Tech Units (eliminate 7.0 positions; -\$943,000 in 2010-2011; -\$1.0 million ongoing)	Consolidate the Police Financial Crimes and High Tech Units, including the elimination of one Sergeant and six Officers. The new unit would consist of one Lieutenant, four Sergeants, and 23 Officers.
Restructure the Police Warrants Unit	Prepare a business case analysis to determine the feasibility of an alternative service delivery for in-state Prisoner transport. <i>Proposal under review.</i>
Consolidate Crime Prevention and Community Education (eliminate 3.0 positions; -\$612,000 in 2010-2011; -\$646,000 ongoing)	Consolidate management of the Police Crime Prevention Unit (eliminating one Lieutenant, one Sergeant, and one Officer) and restructure Crime Prevention and Community Education. This proposal changes the reporting structure, but does not reduce Crime Prevention services. With the reductions to this program, effective July 1, 2010, the impact will be mitigated through alternative service delivery models and consolidation of like functions in other departments.
Reduce Police Activities League (PAL) Staffing (eliminate 3.0 positions; -\$491,000 in 2010-2011; -\$521,000 ongoing)	Reduce staffing by three Officers, leaving one Officer, one Sergeant, and one Office Specialist to oversee PAL and perform administrative tasks, such as supervising sports leagues. Impacts to specific activities performed by PAL would be determined by the PAL Board. <i>Staffing under review.</i>
Reduce the Police School Liaison Unit (eliminate 3.0 positions; \$490,000 in 2010-2011; \$536,000 ongoing)	Reduce Unit by three Officers, leaving the Unit with one Sergeant and eight Officers. This unit is part of the Safe School Campus Initiative, which links schools with prevention/intervention services designed to reduce youth violence.
Reduce Police Backgrounding/ Recruiting/Training (eliminate 5.0 positions; \$1.1 million in 2010-2011; \$768,000 ongoing)	Reduce the Police Backgrounding/Recruiting Unit by one Sergeant and two Officers (leaving one Sergeant and eight Officers) and reduce the Police Training Unit by two Officers (leaving one Lieutenant, two Sergeants, and nine Officers) to align resources with anticipated need for new sworn personnel. Eliminate the Field Training Officer special pay (\$403,000) in 2010-2011 given that no sworn recruit academies are anticipated.
Reduce the Crossing Guard Program (eliminate 8.31 positions; \$354,000 in 2010-2011; \$355,000 ongoing)	Reduce the Police School Safety Unit (crossing guards) by eliminating six currently unstaffed crossing guard positions (1.21 FTE) and 35 crossing guard positions (7.10 FTE) at lower risk intersections. Reductions to specific intersections are still being determined.

Preliminary Budget Reduction Proposals Update as of 3/29/10

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

Reduce the Police Communications and Dispatch Unit (eliminate 3.5 positions; -\$405,000 in 2010-2011; -\$426,000 ongoing)	Reduce the Police Communications and Dispatch Unit by one Supervising Public Safety Dispatcher, 1.5 Public Safety Radio Dispatcher, and one Public Safety Communications Specialist, leaving the unit with 161.8 positions. After reviewing overall vacancies in the Unit over the past year and comparing the amount of overtime used to backfill for 24-7 coverage, it was determined that staffing could be reduced in this Unit and still maintain current service levels.
Reduce the Police Secondary Employment Unit (eliminate 1.0 position; -\$186,000 in 2010-2011; -\$203,000 ongoing)	Reduce the Unit by one Sergeant, leaving one Lieutenant (also oversees Permits) and one Sergeant. This may increase the time to process secondary employment contracts and planned events. <i>Staffing under review.</i>
Reduce the Police Permits Unit (eliminate 1.0 position; -\$185,000 in 2010-2011; -\$202,000 ongoing)	Reduce the Unit by one vacant Sergeant position, leaving one Sergeant and seven Officers. The current level of service would be maintained for this unit that conducts regulatory oversight over various businesses.
Reduce Police Field Operations Management (eliminate 1.0 position; -\$184,000 in 2010-2011; -\$202,000 ongoing)	Reduce Police Field Operations Management by one Sergeant, leaving one Lieutenant, two Sergeants, and two Officers to perform administrative duties related to Field Patrol.
Reduce Police Information Technology Administrative Support (eliminate 1.0 position; -\$83,000 in 2010-2011; -\$90,000 ongoing)	Reduce administrative support by eliminating one Senior Office Specialist in the Bureau of Technical Services, leaving one Secretary to perform administrative duties for this Bureau.
Reduce Airport Canine Unit (eliminate 1.0 position; General Fund cost of \$35,000 due to lost overhead)	Eliminate the training Officer from the Airport Canine Unit, which would shift the duties to the Canine Unit Sergeant. The remaining four Officers would be responsible for upholding training requirements for the dogs they handle.

TRANSPORTATION AND AVIATION SERVICES CSA

Transportation Services

Reduce Traffic Capital Program Staff (Eliminate 12.0 positions; -\$1.4 million in 2010-2011; -\$1.6 million ongoing)	Scale back Traffic Capital Program staffing levels based on the significant drop in Construction Excise Tax Fund and Building and Structure Construction Tax Fund revenues, leaving approximately 73 positions. This would significantly reduce staff support for regional projects, transit projects, bike and pedestrian projects, grant management, and project development engineering. This also includes the elimination of two positions that manage the design and implementation of Intelligent Transportation System (ITS) projects.
Reduce Neighborhood Traffic Calming (eliminate 9.0 positions; -\$921,000 in 2010-2011; -\$999,000 ongoing)	Reduce Neighborhood Traffic Calming staffing from 20.5 to 11.5 positions with the unit focusing solely on traffic and pedestrian safety services as well as those mandated by law. Speed compliance calls would be directed to the Police Department for enforcement.
Reduce Pavement Resurfacing and Sealing (eliminate 5.0 positions; -\$375,000 in 2010-2011; -\$415,000 ongoing)	Eliminate five positions that perform in-house street resurfacing work on major collector and arterial streets. The remaining crew of 37 positions would be responsible for pavement preparation work and cape seal work on residential streets. In addition, as a result of reduced funding in the Traffic Capital Program, the miles of scheduled residential street sealing would be reduced by 5.8 miles.
Eliminate New Funding for Transportation Assets (-\$291,000 ongoing)	Eliminate funding set aside in the 2011-2015 Forecast for operating and maintenance costs associated with County pocket annexation (\$180,000) and new transportation assets (\$111,000).
Reduce Inspection Services (eliminate 4.0 positions; -\$416,000 2010-2011; -\$453,000 ongoing)	Realign street landscape maintenance, including the shift of 0.9 positions from the General Fund to various Maintenance Assessment Districts (MADs), reduction in inspection services for the MADs and the ADA Curb Ramp Program.
Reduce Traffic and Lighting Maintenance Staff (Eliminate 2.0 positions; Capital Funds: -\$207,000 in 2010-2011; -\$226,000 ongoing)	Reduce staff that provided support to phase I of the Traffic Light Synchronization Program (TLSP) which is expected to be completed at the end of 2009-2010.
Reduce Parking Program Administrative Support (eliminate 2.0 positions; -\$295,000 in 2010-2011; -\$318,000 ongoing)	Reduce staff support for project delivery, project management, and budget development of the Parking Capital Program. Eliminate one Accountant position and contractual services funding for the Parking Operator's oversight of maintenance activities.

TRANSPORTATION AND AVIATION SERVICES CSA (CONT'D.)

Transportation Services (Cont'd.)

Street Landscape Maintenance (-\$175,000 ongoing)	Reduce contractual services funding for sidewalk cleaning in the South of First Area (SoFA), which would be performed by the Downtown Property Business Improvement District (PBID); reduce utility funding to reflect less water usage due to the conversion of landscape designs; and reduce the overtime budget in the Street Landscape Maintenance section, with minimal anticipated impact.
Consolidate Vehicle Abatement, Permit Issuance and Administrative Services (eliminate 1.0 position; -\$75,000 in 2010-2011; -\$82,000 ongoing)	Consolidate vehicle abatement services provided off-site and permit issuance and customer service support at City Hall.
Reduce Traffic Signal Activation Staffing (eliminate 1.0 position; -\$122,000 in 2010-2011; -\$134,000 ongoing)	Reduce staffing to reflect the decline in development activity and the capital program. In 2009-2010, there has been a 50% decline in traffic signal activations and activity is projected to decline an additional 25% - 50% in the next few years. The responsibilities of this position would be absorbed by remaining staff.
Increase Parking Rates (Net revenue of \$152,000 to the General Purpose Parking Fund after position funding realignment)	Increase the meter rate for all non-Downtown core parking meters from \$0.50 to \$1.00 per hour and extend meter enforcement from 5 pm to 6 pm city-wide. Increase the flat rate at the Market Street Parking Garage from \$3 to \$5 on the days where there are Sharks games and major events at the HP Pavilion, and establishes a \$5 flat rate at the Market Street Parking Garage for major outdoor weekend events.

Airport Services

Restructure Airport Building Maintenance Services	Prepare a business case analysis to determine the feasibility of an alternative service delivery for custodial services. <i>Proposal under review.</i>
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TRANSPORTATION AND AVIATION SERVICES CSA (CONT'D.)

Airport Services (Cont'd.)

Reduce Airport Capital Program Staff (eliminate 10.0 positions; -\$582,000 in 2010-2011; -\$1.2 million ongoing)	Eliminate 10 positions, or 25% of staff, phased throughout the year in the Airport Planning and Development Division due to the completion of the majority of the construction and activation work associated with the Airport Terminal Area Improvement Program (TAIP).
Reduce Airport Administrative Support (eliminate 7.0 positions; -\$941,000)	Reduce Airport Administrative staffing by approximately 20% in the Finance Division, the Airport Technology Services Division, and the Employee Services, Safety and Training Division.
Align Airport Traffic Control Curbside Support with Passenger Levels (eliminate 10.0 positions; -\$705,000)	Eliminate 10 of 30 Parking and Traffic Control Officer positions that provide Airport traffic control curbside support. With the recent TAIP improvements and reduced passenger levels, this proposal is considered feasible without impacting public safety.
Restructure Airport New Facility Support Services (eliminate 5.0 positions; \$619,000)	With the completion of the Airport modernization, efficiencies would be realized with a new just-in-time shipping and receiving warehouse model and with reduced general facility maintenance needs. However with the new terminal space, new systems and equipment continue to be implemented and the needs are still evolving.
Reduce Marketing, Communications and Property Management (eliminate 3.0 positions; \$430,000)	Reduce Airport marketing/communications and property management coordination by approximately 20% to align staffing levels to the anticipated needs for operating the new facilities.
Consolidate Airport Planning and Development (eliminate 4.0 positions; \$514,000)	Reduce Airport Planning and Development Division staffing and consolidate work functions in the airfield, utility, and environmental work areas.

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

Development Services and Long-Range Planning

Building Fee Program (restore 5.5 positions, net zero impact on General Fund)	To balance this \$14.5 million program, additional funding sources include: Increase the Permit Center hourly fee by 27% (\$500,000) and increase Plan Review Express usage (\$300,000). Proposed expenditure actions include the restoration of 5.5 positions on a one-time basis to improve customer service levels and the reallocation of 0.21 Planner from the Planning Fee Program.
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COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Development Services and Long-Range Planning (Cont'd.)

<p>Fire Fee Program (eliminate 5.0 positions, net zero impact on General Fund)</p>	<p>To balance the \$2.9 million Fire Development Fee Program, the following actions are proposed: eliminate 5.0 positions, shift 2.0 positions to Non-Development, reduce non-personal/equipment and overtime funding, use a portion of the Fire Fee Program Reserve (\$927,000), and increase fees 2%.</p>
<p>Planning Fee Program (minimal position reductions and shifts; net zero impact on General Fund)</p>	<p>To balance the \$2.5 million program, eliminate 0.5 Planner position and reassign 0.5 Senior Planner Position from the General Fund and 0.21 Planner position to the Building Fee Program. No fee increases are proposed.</p>
<p>Public Works Fee Program (eliminate 2.39 positions and reallocate 5.35 positions, net zero impact on General Fund)</p>	<p>Development Fee Program – To bridge a \$1.1 million gap between projected revenues and cost, the elimination of 2.31 positions and the reallocation of a net 5.77 positions to capital work is recommended. No fee increases are proposed.</p> <p>Utility Fee Program – Actions are recommended to bridge a \$100,000 gap between projected revenues and costs. These actions include a 10.9% increase in revenue from raising Minor Permit fees to cost recovery, the elimination of 0.08 positions and a net reallocation of 0.42 positions from capital funds to this program to appropriately account for management costs.</p>
<p>Reduce General Plan Update Funding (\$140,000 in 2010-2011)</p>	<p>Reduce funding allocated for other departmental staff in the Public Works and Transportation Departments and the City Attorney's Office to assist with the Comprehensive General Plan Update (GPU) process. It is anticipated that the remaining allocation of \$260,000 is sufficient for the GPU process activities scheduled for 2010-2011. (\$140,000)</p>
<p>Eliminate the Proactive Historical Preservation Program (eliminate 1.0 FTE, \$133,000 in 2010-2011; \$139,000 ongoing)</p>	<p>Work on potential new Historic Landmarks, and all proactive historic survey work would no longer be provided. <i>Proposal under review.</i></p>

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Cultural, Arts, and Other Programs

Reduce Convention Facilities Staffing (eliminate 25.0 positions; -\$1.9 million in 2010-2011; -\$2.0 million ongoing)	Reduce Convention Facilities staffing to address declining activity and revenues and escalating costs, eliminating a total of 25 positions (of 56 positions). Further reductions in this area are required to ensure the financial stability of the Convention and Cultural Affairs Fund, and coordination with Team San José has begun on identifying additional solutions. <i>Proposal under development.</i>
Reduce the Convention and Visitor's Bureau Marketing Subsidy (-\$295,000 ongoing)	Reduce the ongoing General Fund subsidy to Convention and Visitor's Bureau marketing by 21.5% (the average non-public safety CSA reduction) from \$1.37 million to \$1.08 million.
Reduce Housing Production Program (eliminate 2.0 positions; -\$435,000 in 2010-2011; -\$463,000 ongoing)	Eliminate 1.0 Building Rehabilitation Supervisor and 1.0 Senior Development Officer, shift funding for one Analyst from the Low and Moderate Income Housing Fund to CDBG, and reduce contractual services funding for project development in the Housing Production Program, leaving a staffing level of 3 positions. As a result of the decline in revenues in the Low and Moderate Income Housing Fund, there will be limited funds available to lend to developers.
Reorganize and Consolidate Housing Department Functions (eliminate 3.0 positions, -\$419,000 in 2010-2011; -\$441,000 ongoing)	Reorganize teams throughout the Housing Department and consolidate like functions to adjust for the decline in funding available in the Low and Moderate Income Housing Fund.
Reduce and Restructure Executive Management of Non-Profit Platform, work2future, and Team San José Coordination (eliminate 1.0 position; -\$157,000 ongoing)	Eliminate one vacant Executive Management position in the Office of Economic Development assigned to the work2future program. Remaining Executive staff currently responsible for Team San José coordination and the Non-Profit Platform would now oversee the Non-Profit Platform (60%), and work2future program (40%). Team San José coordination would be shifted to an existing position. This also eliminates HNVF funding for the Non-Profit Platform.
Reallocate Arts Program Staffing (savings of \$159,000 in the General Fund)	This proposal would reallocate 1.30 positions in the Arts Program from the General Fund to the Transient Occupancy Tax (TOT) Fund. This funding reallocation would retain core OCA staff and reduce grants to arts and cultural non-profit organizations by \$159,000 leaving a balance of \$2.33 million for grants.

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Cultural, Arts, and Other Programs (Cont'd.)

Reduce Special Events Coordination (eliminate 1.0 position; -\$131,000 in 2010-2011; -\$143,000 ongoing)	Reduce special events staff in the Office of Cultural Affairs, reducing by roughly one-third the oversight, planning, and coordination for more than 400 neighborhood and Downtown events. Support services would be eliminated for events that do not require permits or services by at least three City agencies (excluding the Office of Cultural Affairs), as would oversight for community/business impacts related to outdoor special events. <i>Proposal under review—potential consolidation of Special Events support.</i>
Eliminate the K-12 Arts Express Education Program (eliminate 1.0 position, -\$120,000 in 2010-2011; -\$131,000 ongoing)	Eliminate program which links classrooms with free performances and exhibitions. The arts organizations that provide these learning opportunities would be need to coordinate directly with the schools.
Economic Development Administrative Consolidation (eliminate 1.0 position; -\$56,000 in 2010-2011; -\$61,000 ongoing. Since this position is 50% reimbursed by the San Jose Redevelopment Agency, the cost reduction figure reflects the loss of reimbursement to the General Fund in the amount of \$56,000.)	Eliminate one position which provides analysis of property research and site selection; research in support of development projects; data collection and reporting; and financial and administrative analysis. This will reduce analytical support to the Development Facilitation Unit, requiring these duties to be distributed to the remaining staff to the extent possible. This will result in the consolidation of analytical support for the Business Development/Economic Strategy and Cultural Affairs Divisions of the Office of Economic Development, as a remaining position will support both divisions.
Eliminate City-Wide Festivals, Parades, and Celebrations (FPC) Subsidy to the FPC Grant Program (-\$38,000 ongoing)	Eliminate the FPC subsidy that augments the Transient Occupancy Tax annual grant awards. This loss is anticipated to be mitigated by the Multi-Year Arts Stabilization Fund.
Eliminate the San José Museum of Art School Subsidy (-\$28,000 ongoing)	With the elimination of this subsidy, it is anticipated that this organization would continue to apply for an operating grant funded by the Arts Grant Program in the Transient Occupancy Tax Fund.
Reduce Sister City Program (-\$20,000 ongoing)	Eliminate the City-Wide Sister City Program funding for City official protocol functions including gifts, travel, and hosting visits.
Support the U.S. Figure Skating Championship (\$50,000 in 2010-2011; \$33,000 in 2011-2012)	Add funding to support the U.S. Figure Skating Championship to be held at the HP Pavilion in 2010-2011. Other agencies would also contribute to this event, including the Convention and Visitors Bureau and the Sports Authority. <i>Proposal under review – fundraising options.</i>

ENVIRONMENTAL AND UTILITY SERVICES CSA

Decrease Funding to Non-Profit Recyclers (\$-122,000)	Reduce funding for non-profit recyclers (Goodwill Industries, the Salvation Army, and HOPE) by 25% because the unrestricted late fee revenue used to fund these services is proposed to be allocated to City facility garbage disposal costs.
Establish Energy Efficiency Fund (\$1.5 million)	Per the PG&E settlement, allocate a portion of the settlement funds to an Energy Efficiency Fund in the General Fund.
Meet National Pollutant Discharge Elimination System (NPDES) Permit Requirements (\$1.4 million)	Provide funding for the following: installation of structural trash controls in the storm sewer system to help achieve a 40% reduction in trash impacts by 2014 (\$1.0 million); construction of paved berms for the Corporation Yards (\$180,000); temporary trash reduction support (\$118,000); a demonstration Integrated Pest Management project; and sampling equipment/supplies to conduct storm water pump station monitoring (\$50,000).
Replace Equipment Used to Maintain the Sanitary Sewer and Storm Sewer Systems (\$1.5 million)	Add one-time funding for the replacement of the following: two Sanitary Sewer Maintenance Division Vector trucks (\$850,000); two utility trucks and one large utility and maintenance truck (boom truck) (\$450,000); and one backhoe and trailer (\$150,000).
Establish a Water Pollution Control Plant Training Program (\$650,000)	Establish a Training Program, adding 6.0 temporary positions, to address difficulties in filling classifications, and a temporary Plan Shift Supervisor to establish a training curriculum.
Expand Household Hazardous Waste Program (\$200,000)	Add funding for 3,000 additional appointments for San José residents to drop off household hazardous materials through the County of Santa Clara's Household Hazardous Waste Program, reducing the average wait time from six weeks to a month.
Comply with Water Pollution Control Air Quality Regulations (\$137,000)	Provide a temporary Plant Air Regulations Specialist to assist the Water Pollution Control Plant in meeting air quality regulations.
Funding for Our City Forest (\$120,000)	Provide matching funds for a grant from AmeriCorps to provide young tree stewardship awarded to Our City Forest.
Continue "Wonders of Our Water Works" Tour Program (\$115,000)	Continue temporary staffing for the "Wonders of Our Water Works" public tour program, which is a key strategy for educating and engaging the community regarding the Plant Master Plan.

STRATEGIC SUPPORT CSA

City Facilities and Equipment

Reduce Public Works Capital Projects Staff (reduction of 40.91 positions; -\$3.5 million in 2010-2011; \$4.9 million ongoing)	Reduce staff resources in the Public Works Capital Improvement Program to reflect the activity decline in the capital program. These reductions (24.91 positions at the beginning of the fiscal year and 16 more at mid-year) would allow the Public Works Department to appropriately match staff resources to the current capital project activity. The position reductions include the elimination of administrative staff as well as technical engineering and inspection positions.
Extend Police Vehicle Replacement Cycle (-\$1,263,000 in 2010-2011; -\$394,000 ongoing)	Extend the replacement criteria for the marked and unmarked patrol cars by one year and 10,000 miles. Currently, the replacement criteria for marked vehicles is 5 years and 100,000 miles and 10 years and 100,000 miles for unmarked vehicles.
Reduce Non-Public Safety Vehicle Replacement (-\$800,000 in 2010-2011; -\$200,000 ongoing)	Reduce the non-public safety vehicle replacement allocation of \$1.0 million by \$800,000 in 2010-2011 and \$200,000 ongoing, with priority given to equipment and vehicles that are critical to program service delivery needs and are in danger of failing.
Reduce Fleet Services (eliminate 5.0 positions; -\$761,000 in 2010-2011; -\$817,000 ongoing)	Reduce Fleet Services management oversight and extend the intervals between regular preventative maintenance of vehicles.
Reduce Facilities Management Division Staffing (eliminate 6.0 positions, including 1.0 in 2011-2012; -\$867,000 in 2010-2011; -\$905,000 ongoing)	Reduce Facilities Management Division staffing, which will impact oversight of the function, the ability to complete meeting room set-ups in a timely manner, increased response times to electrical work orders, and less responsiveness to after-hours requests.
Restructure Custodial Services at City Hall and the Police Facilities	Prepare a business case analysis to determine the feasibility of an alternative service delivery for custodial services. <i>Proposal under review.</i>
Reduce Custodial Contractual Services at 18 City Facilities (-\$150,000 ongoing)	Reduce custodial contractual services at 18 City facilities (community centers, senior centers, and youth centers) by 1 day per week from the current level of 5 days or more per week.

Preliminary Budget Reduction Proposals Update as of 3/29/10

STRATEGIC SUPPORT CSA (CONT'D.)

City Facilities and Equipment (Cont'd.)

Close Old Martin Luther King, Jr. Facility (eliminate 2.0 positions; -\$532,000)	Eliminate maintenance and utility costs associated with the Old Martin Luther King Jr. Facility closure. The City staff at this location are being relocated to other City facilities.
Reduce City Hall Maintenance (-\$292,000)	Reduce City Hall contractual services by \$292,000 or 7%, which may result in the deferral of less critical maintenance activities and increased cycle times.
Reduce City Hall Security (eliminate 2.0 positions; -\$141,000 in 2010-2011; -\$162,000 ongoing)	Reduce City Hall security by one-third, reducing coverage from 6 am to 11 pm to 7 am to 9 pm on weekdays. Other activities that would be impacted include vehicle check-out, identification badge issuance and replacement, and parking oversight.
Reduce Events Services (eliminate 1.0 position; -\$96,000 in 2010-2011; -\$108,000 ongoing)	Reduce Events Services staffing that processes event contracts for use of City Hall. Duties would be absorbed by remaining staff.
Reduce Civic Grounds Maintenance (eliminate 1.0 position; -\$76,000 in 2010-2011; -\$78,000 ongoing)	Reduce Civic Grounds maintenance not associated with regional and neighborhood parks by 15%. PRNS staff will remain on call for any health and safety issues.
Upgrade Communication System at Mabury Yard (\$80,000)	Provide one-time Construction and Conveyance Tax funding to upgrade the communication system at Mabury Yard to Voice Over Internet Protocol (VoIP).

Technology Services

Consolidate City-wide (Enterprise) Functions (\$0 in 2010-2011: consolidate existing staff to increase efficiencies)	Consolidate City-wide (enterprise) functions over a multi-year period to achieve operational efficiencies throughout the organization. The first phase would consolidate database administration; the next phase would consolidate networks, servers, and voice administration; the HelpDesk and desktop support, application development platforms, and document management would be consolidated in the final phase.
Reduce Business Applications Management (eliminate 3.0 positions, -\$472,000 in 2010-2011; -\$517,000 ongoing)	Reduce business applications management by eliminating staff that assist departments with technology decisions and project implementation, leaving 8 positions. The elimination of positions would better align management staffing levels with organizational capacity as fewer projects will be implemented given the current budget environment.

Preliminary Budget Reduction Proposals Update as of 3/29/10

STRATEGIC SUPPORT CSA (CONT'D.)

Technology Services (Cont'd.)

Reduce Infrastructure Operations Staffing (eliminate 3.0 positions; -\$438,000 in 2010-2011; -\$472,000 ongoing)	Reorganize Infrastructure Operations and reduce staffing dedicated to the Housing Department. Infrastructure Division Workgroups would be reorganized under five remaining technical managers. Network expansion duties would be reassigned to remaining staff and the Housing Department would resolve network and server issues through the Technology HelpDesk.
Scale Back Customer Contact Center (Eliminate 4.0 positions; -\$412,000 in 2010-2011; -\$442,000 ongoing)	Right-size Customer Contact Center staffing after the call center consolidation and the implementation of the Integrated Billing System. The duties of these positions can be absorbed by remaining staff (33 positions) with minimal impacts.
Eliminate Computer and Equipment Reserve (-\$350,000 in 2010-2011)	Eliminate Computer and Equipment Reserve established in the 2011-2015 General Fund Forecast to address anticipated needs.
Reduce HelpDesk Staffing (eliminate 2.0 positions; -\$279,000 in 2010-2011; -\$292,000 ongoing)	Reduce HelpDesk staffing to 13 positions, with minimal impacts due to latest work order system upgrade and operational efficiencies.
Reduce Legacy Telecom Staffing (eliminate 2.0 positions; -\$262,000 in 2010-2011; -\$287,000 ongoing)	Reduce Legacy Telecom phone system staffing from 4 to 2 positions to adjust for the reduced workload as a result of the transition to Voice over Internet Protocol (VoIP).
Reduce Phone System Maintenance (-\$115,000 ongoing)	Reduce the cost of the contract for Nortel to maintain the City's phone system. The delivery time for replacement parts would be extended from 4 hours to the next business day and switches and phones would be removed from the maintenance contract.

Human Resources

Reduce Workers' Compensation Claims Staffing (eliminate 4.0 positions; -\$370,000 in 2010-2011; -\$419,000 ongoing)	Reduce Workers' Compensation Claims staffing (from 22 to 18), resulting in an increase in the time to process claims. In 2007-2008, 6 positions were added to provide additional resources in this Program. This reduction would partially rollback this investment.
Reduce Training and Workforce Development Program (eliminate 1.0 position; -\$90,000 in 2010-2011; -\$101,000 ongoing)	Eliminate 1 of 4 positions assigned to the Training and Workforce Development Program, reducing the number of training classes and leadership academy classes offered.
Reduce Employment Services Division Staffing (eliminate 2.0 positions; -\$211,000 in 2010-2011; -\$234,000 ongoing)	Eliminate 2 of 7 positions that provide employment services to departments. As a result of the anticipated decline in hiring activity and employee reinstatement rights, it is anticipated that this work group can be reduced in the immediate future.

STRATEGIC SUPPORT CSA (CONT'D.)

Human Resources (Cont'd.)

Reorganize Human Resources Department Management (eliminate 1.0 position; -\$156,000 in 2010-2011; -\$180,000 ongoing)	Reorganize management, including the elimination of one management position funded by special funds and the reallocation of this funding to the remaining executive staff.
Reduce Safety and Loss Control Program (eliminate 1.0 position; -\$112,000 in 2010-2011; -\$123,000 ongoing)	With the elimination of 1 of 2 positions, the City-Wide Safety Program would provide minimal assistance to departments and would have reduced capacity to work proactively in loss control.
Reduce Return to Work Program (eliminate 1.0 position; -\$110,000 in 2010-2011; -\$113,000 ongoing)	Eliminate 1 vacant position that coordinated disability leaves and provided injury statistics and trend analysis. The remaining position in this program as well as Risk Management staff would absorb these duties to the extent possible.
Subrogation Decentralization (eliminate 1.0 position; -\$89,000 in 2010-2011; -\$98,000 ongoing)	Eliminate subrogation coordination and decentralize initial administrative information collection and invoicing for claims to departments.
Eliminate Temporary Pool Staffing Coordination (eliminate 1.0 position; -\$91,000 in 2010-2011; -\$100,000 ongoing)	With the elimination of temporary staffing pool coordination, the pool would be reduced to only clerical job classifications. Should temporary help be needed, departments would need to find alternative resources, such as the use of temporary agency services.
Reduce Employee Health Services Program (eliminate 1.0 position; -\$90,000 in 2010-2011; -\$99,000 ongoing)	With the elimination of the filled administrative position, administrative duties would be absorbed by the remaining medical staff, increasing wait times for medical and wellness evaluations.
Decentralize Driver License Record Keeping (eliminate 1.0 position; -\$83,000 in 2010-2011; -\$90,000 ongoing)	Decentralize the Driver License Record Keeping program to departments, Human Resources would remain the central contact with the DMV.
Suspend Employee and Community Surveys (-\$55,000)	Suspend the Employee and Community Surveys for the next two years. The Community Survey was conducted in December 2009 and the Employee Survey is expected to be completed in 2009-2010.

STRATEGIC SUPPORT CSA (CONT'D.)

Human Resources (Cont'd.)

Reduce City-Wide Training and Employee Recognition (-\$170,000 ongoing)	Reduce annual allocation for City-Wide training by \$145,000 from \$150,000 to \$5,000 and eliminate funding for the Employee Recognition Program (\$25,000). This would reduce funding for training classes and on-line training registration contractual services. <i>Proposal under review.</i>
Extend the Employee Wellness Program (0.5 position; \$510,000 program offset by \$400,000 from health providers and \$110,000 from funding set aside in reserve for this program)	The Wellness Program was launched in 2008-2009 as a two-year pilot program to promote healthy employee and retiree lifestyles to mitigate increasing health coverage costs. This would extend the program, which is funded by the Retirement Funds and the health care providers. This provides funding for a Medical Assistant (75% supported by Retirement Funds), temporary staffing for oversight, and non-personal/equipment funding.

Financial and Other Administrative Services

Reduce Financial Reporting Staffing (eliminate 2.0 positions; -\$232,000 in 2010-2011; -\$234,000 ongoing)	Reduce Financial Reporting staffing by eliminating 2 vacant positions (of 12 positions). This would continue the current staffing level, which has reduced fiscal oversight of various reports (CAFR, Single Audit Report, grant reporting, debt reporting, overhead).
Consolidate Warehouse/Central Services (Add net 3.0 positions; cost of \$272,000 in 2010-2011; ongoing cost of \$262,000)	Roll back 2009-2010 Adopted Budget action related to warehouse services and consolidate warehouse operations and central service operations. In 2009-2010, staff completed a Request for Proposal (RFP) for warehouse services and found the existing service delivery model was more cost efficient. As a result, this proposal would reverse the 2009-2010 budget action to contract these services. With the proposed consolidation of warehouse and central service operations, current service levels would continue with a potential increase in wait time for retrieval and delivery of records.
Decentralize Purchasing and P-Card Oversight (eliminate 1.0 position; -\$128,000 in 2010-2011; -\$129,000 ongoing)	Decentralize purchase of goods and services and P-card Program oversight for purchases under \$10,000.

STRATEGIC SUPPORT CSA (CONT'D.)

Financial and Other Administrative Services (Cont'd.)

Payment Processing Efficiencies (eliminate 2.0 positions; -\$124,000 in 2010-2011; -\$128,000 ongoing)	Recognize payment processing efficiencies gained through use of technology (banking kiosk and increased internet services) and new services provided by banking services provider. Manual duplicative actions have been streamlined and automated or reassigned to lockbox services, allowing for the reduction of 2 positions with minimal service level impact.
Reduce Revenue Management Division Customer Service Support (eliminate 1.0 position; -\$70,000 in 2010-2011; -\$79,000 ongoing)	Eliminate 1 of 6 positions in the Revenue Management Division. This position provides front-line customer service support on the 1 st and 4 th floors of City Hall. This proposal would result in increased call wait times and responses to messages as well as calls being rerouted to the collections staff.
Investment Program Operating Efficiencies (eliminate 4.0 positions; net General Fund impact of \$29,000 in 2010-2011; \$5,000 ongoing due to reduced overhead revenue)	Eliminate 3 positions in the Investments Division and 1 cashiering position. The reduction in Investments Division staff would reduce capacity to complete in-house research related to the strategic goals of the Investment Program's portfolio, reduced reporting, reduced capacity to run daily bank reports, delays in securities maturities and interest posting in the Financial Management System, and the elimination of front lobby support on the 13 th floor of City Hall. The reductions in capacity are expected to be partially offset by system efficiencies and enhanced services provided by the City's banking services provider.
Reduce Integrated Billing System Support and Increased Collections (net reduction of 2.0 positions; -\$232,000 in 2010-2011; -\$186,000 ongoing)	Reduce support for the Integrated Billing System (eliminate 2 of 13 positions) and shift collections staff to collect on outstanding accounts in the Water Utility Fund and the Integrated Waste Management Fund.
Add Procurement Resources for the Water Pollution Control Plant (\$116,000 in 2010-2011)	Add one-time funding equivalent to a Sr. Buyer position to support the procurement of materials and services at the Water Pollution Control Plant.

CITY-WIDE EXPENSES/OTHER PROPOSALS

Mayor, City Council, and Council Appointees (-\$6.1 million)	<p>Per the Mayor's March Budget Message for Fiscal Year 2010-2011, the City Council Appointee offices will bring forward budget proposals that are equal to the average non-public safety CSA, with consideration given to service and operational impacts. The Independent Police Auditor is expected to meet the Public Safety CSA reduction level. Reduction targets for Mayor and City Council Offices will be determined after consideration is given to service and operational impacts. The specific proposals for the City Council appointees are under development.</p> <p>City Manager's Office</p> <p>The preliminary proposals from the City Manager's Office are identified given the City Manager's responsibility relative to the service reductions and eliminations identified in this document. The following are the major highlights of the budget reductions expected to be brought forward by the City Manager's Office:</p> <ul style="list-style-type: none">• Reducing Senior Management staffing• Reducing administrative functions• Restructuring of the Video/Multi Media unit• Reducing Strong Neighborhoods Initiative staffing• Significantly reducing the funding for Management Training programs and opportunities for the organization• Reducing appropriations for special projects and initiatives
Establish Essential Services Preservation Fund (\$500,000)	<p>Per Mayor's March Budget Message for Fiscal Year 2010-2011, establish Essential Services Preservation Fund to be allocated by the City Council towards critical needs.</p>
Departmental Consolidation Plans	<p>Departmental consolidation plans are currently under review; implementation is likely in 2011-2012 once the status of the City organization is understood.</p>

NEGOTIATIONS WITH THE CITY'S BARGAINING UNITS

The City of San José has 11 bargaining units (unions) representing approximately 6,358 City employees. The City is in negotiations with almost all of the unions with a goal of reducing personnel costs to help lessen the service level reductions and layoffs of City employees as the City deals with the General Fund shortfall of \$116 million.

In November 2009, the City Council approved a goal of a 5% ongoing total compensation reduction. In approving the Mayor's Budget Message on March 23, 2010, the City Council expanded the goal to include an additional 5% in personnel cost savings, including ongoing or one-time savings, to achieve a total reduction of 10%.

Preliminary Budget Reduction Proposals Update as of 3/29/10

NEGOTIATIONS WITH THE CITY'S BARGAINING UNITS (CONT'D.)

A 10% reduction in ongoing total compensation costs would reduce the General Fund deficit by \$63.9 million. The potential savings are summarized in the table below.

Reducing Per Employee Costs

Employee Unit	Contract Expiration	10% Reduction	Full Time Equivalents (FTEs)
		General Fund	
San Jose Police Officers' Association (POA)	6/30/2010	\$24.73M	1362.0
San Jose Fire Fighters, Local 230 (IAFF)	6/30/2009	\$13.50M	739.0
Subtotal (Subject to arbitration if no agreement)		\$38.23M	2,101
Municipal Employees' Federation (MEF)	6/30/2011	\$13.05M	2199.62
Confidential Employees' Organization (CEO)	9/17/2011	\$1.27M	216.62
Subtotal (Changes to pay/benefits require agreement of these unions to reopen contract)		\$14.32M	2,416
Executive Management (Unit 99)	N/A	\$3.01M	241.00
International Union of Operating Engineers, Local No. 3 (OE#3)	N/A	\$2.81M	805.42
City Association of Management Personnel (CAMP)	6/30/2010	\$2.60M	391.50
Association of Legal Professionals (ALP)	N/A	\$789.24K	46.00
Association of Engineers and Architects (AEA)	6/30/2010	\$619.26K	233.00
Association of Building, Mechanical and Electrical Inspectors (ABMEI)	12/10/2009	\$594.25K	50.00
International Brotherhood of Electrical Workers, Local No. 332 (IBEW)	3/6/2010	\$443.19K	80.00
Association of Maintenance Supervisory Personnel (AMSP)	6/30/2010	\$372.52K	84.00
Unrepresented Non-Management	N/A	\$106.76K	27.90
Subtotal		\$11.35M	1,959
GRAND TOTALS:		\$63.90M	6,476

Source: Salary and Fringe Benefit Costs by Employee Unit & Fund for the 2010-2011 Base Budget (2/27/10)

For information about the status of labor negotiations, including proposals made by the City and the unions, please go to <http://www.sanjoseca.gov/employeerelations/labor.asp>.

Preliminary Budget Reduction Proposals Update as of 3/29/10

2009-2010 Adopted Budget Reductions Effective July 2010

It is important to note that the service reductions and eliminations under consideration to address the 2010-2011 General Fund budget shortfall do not include the service reductions and eliminations that are effective July 1, 2010 as approved by the City Council through the 2009-2010 budget process. These service reductions/eliminations are identified in the table below.

2009-2010 Adopted Budget Reductions Effective July 2010

Service	Savings	Positions
Six Satellite/Neighborhood Center Closures	\$1,710,000	23.04
Horse Mounted Unit Elimination	1,330,000	8.00
Branch Library Hours Reduction (8 hours less)	1,199,000	16.40
Crime Prevention Unit Reduction *	673,000	6.00
Convention and Visitors' Bureau Subsidy	337,000	
Strong Neighborhoods Initiative Staffing **	321,000	9.94
Central Service Warehouse Outsourcing	300,000	5.00
Wellness Program Pilot for City Employees	300,000	2.00
Transfer to Convention/Cultural Affairs Fund	250,000	
Community Based Organizations Reduction (additional 8%)	210,000	
Dr. Martin Luther King Jr. Library Service Point Reductions	190,000	2.50
Mexican Heritage Plaza Maintenance and Operations	156,000	
Audit Staffing Reduction	130,000	1.00
Rose Garden Maintenance Reduction	126,000	1.96
Police Management Consolidation	125,000	1.00
Fire Data Management Staffing	119,000	1.00
Total	\$7,476,000	77.84

* Per City Council approval of the Mayor's June Budget Message for 2009-2010, prior to implementing the Crime Prevention Unit Reduction, the City Manager was to explore and report to the Public Safety, Finance and Strategic Support Committee on alternative service delivery models. This report was approved at the February 2010 Committee Meeting.

** This includes the reduction of expanded Neighborhoods Initiative Staffing funded in 2009-2010 by a reduction of the Neighborhood Investment Fund Earmarked Reserve.